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C O N F I D E N T I A L SECTION 01 OF 02 PRAGUE 000729

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TAGS: PGOV PREL EZ

SUBJECT: MAIN CZECH OPPOSITION CONTENT TO PLAY WAITING

GAME. FOR NOW

REF: A. PRAGUE 471

¶B. PRAGUE 501 ¶C. PRAGUE 698

Classified By: Acting DCM Mike Dodman for reasons 1.4 (b) and (d).

11. (C) Summary: The main Czech opposition party, the Social Democrats (CSSD), is in no hurry to return to power, content to allow their main rival, the ruling Civic Democrats (ODS), to take difficult stands and alienate more voters. CSSD's strategy, at least for now, is to criticize the coalition as a whole, and to push issues on which the coalition itself is split; these include economic reform, missile defense, and the controversial Deputy PM Cunek. CSSD likewise is using its time in opposition to erode support for the Communist Party, and sees its consistent opposition to missile defense as important to that effort. According to at least one CSSD insider, CSSD Chairman Paroubek may well be satisfied with the results of these efforts, and therefore ready to try to bring down the coalition government, by next summer. The vote of no-confidence called by CSSD for this week is not expected to succeed. End Summary.

## CSSD in no hurry to see ODS fail

- 12. (C) The Czech Social Democrats, who governed for eight years until coming in second in the June 2006 elections, are in no hurry to bring down the ODS-led coalition government or force new elections. CSSD Chairman Jiri Paroubek's strategy is to aggressively play the role of opposition, eroding support both for the governing parties on his right and the Communists on his left. So far the strategy has had some success. In November, the Stem polling agency showed ODS had a 14 point lead over CSSD (35.1% to 20.7%). By May the gap had fallen to one point: 28.6 for ODS and 27.6 for CSSD.
- ¶3. (C) Jan Hamacek, CSSD Chairman of the lower house's Committee on Foreign Affairs, told poloff recently that, although many members of the party do not know it yet, Paroubek plans to arrange early elections in the summer of ¶2008. Hamacek thought that the Topolanek government would probably survive the summer and that this was acceptable for CSSD, since the government continues to alienate voters, primarily with its reform package (ref C) that barely survived its first reading and will be subject of a heated parliamentary debate in August. Hamacek said he thought the reforms could fail in the second reading, but added that CSSD would not mind if they did squeak by, since the public is strongly opposed to several elements within the reform package. Furthermore, there is not full agreement among the coalition partners on the reform bill, and CSSD's interests are served by seeing the coalition publicly squabbling.

14. (C) Another issue dividing the coalition is the bribery investigation into principal Deputy Prime Minister Jiri Cunek, the head of the Christian Democrats. The investigation into Cunek's case, plus his history as a mayor who made his name by evicting Roma citizens from the town, is an embarrassment to the Greens and to many in ODS. Hamacek joked that CSSD needs to take Cunek out every so often and water him" so he doesn't die and stop making CSSD look good by comparison. In recent weeks, in an apparent attempt to slow-roll the Cunek investigation, the prosecutor investigating Cunek was replaced, shortly before an indictment was due. CSSD reacted furiously, calling for a special session of parliament on June 15 to discuss the move. When the coalition blocked this session, CSSD called for a vote of no-confidence, due to be held on June 20. The coalition should easily survive this, but it is particularly galling to the Greens to be forced to continue defending (Indeed, in a discussion with poloff on June 16, Green Deputy Ondrej Liska reported that there is an understanding within the coalition that Cunek will resign prior to the no-confidence vote, and that if he refuses to go, Topolanek will fire him. Cunek helped facilitate this step by giving a pitiful speech in parliament on June 15 in a failed attempt to tarnish his accusers.)

Missile Defense has an upside for CSSD

15. (C) As reported ref B, Paroubek told the visiting Director of the Missile Defense Agency recently that, while he personally has nothing against missile defense, a public statement of support would be a "gift to the Communists" and reverse the progress he has made to date in attracting KSCM voters to CSSD. CSSD likewise finds the missile defense

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debate useful in its general assault on the coalition. Hamacek, a thoughtful critic of missile defense, says that despite his personal opposition (Hamacek questions the severity of the threat, the effectiveness of the system, and the likelihood that the third site will win Congressional funding), he sees clear political reasons to tolerate continued debate of a possible facility in the Czech Republic, and indeed to prolong the debate, since Hamacek believes public opinion will never support the project. Hamacek relishes the thought of elections next summer with the ODS having to defend an unpopular missile defense project.

- 16. (C) For similar reasons, CSSD will continue to actively promote a referendum on missile defense, despite the fact that ODS's opposition to a referendum is sufficient to block such a bill (which requires a constitutional majority in both houses). CSSD continues to insist on a referendum, and this was one of two items Paroubek highlighted after his meeting with President Bush earlier this month (the other being linkage to NATO; both of these topics are of importance to the Greens). Paroubek is not alone in trying to score political points by repeating the unwinnable call for a referendum: President Klaus last week also expressed support for a referendum.
- ¶7. (C) Comment: Hamacek is a rising star within CSSD, and prior to his election to parliament last year he worked at CSSD headquarters for Paroubek. We expect that his analysis is an accurate reflection of Paroubek's thinking. Whether Paroubek will succeed in bringing down the coalition next summer is another matter. Calling new elections is difficult constitutionally. There is also the issue of preparing for the January 2009 start of the Czech EU Presidency. Rather than new elections, it is easier to contemplate a government reshuffling, and likely one that puts a more stable grand coalition between CSSD and ODS in place of the current three-party coalition. Improved CSSD polling numbers would make it easier for the party to demand more of the lucrative ministries and exert greater control over public sector

firms. A grand coalition could more easily win passage of missile defense and, potentially, economic reform legislation. It is far to early to write off PM Topolanek, whose ability to keep his unlikely coalition together this long proves he should not be underestimated. But some of his success to date is surely due to CSSD's readiness to tolerate the coalition, and that won't last indefinitely. GRABER